

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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## MEMORANDUM

TO: Worcester Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: November 13, 2020

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY21 (since the amount under the prior schedule was maintained in FY21) and is acceptable under Chapter 32.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

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## Section 2: Actuarial Valuation Results

### Funding schedule

(1) Fiscal Year Ended June 30	(2) Employer Normal Cost	(3) Amortization of 2010 ERI Liability	(4) Amortization of Stomski Special Legislation	(5) Amortization of Roy Special Legislation	(6) Amortization of Carroll Special Legislation	(7) Amortization of Remaining Unfunded Liability	(8) Actuarially Determined Contribution: (2) + (3) + (4) + (5) + (6) + (7)	(9) Unfunded Actuarial Accrued Liability at Beginning of Fiscal Year	(10) Percent Increase Over Prior Year
2021	\$15,229,875	\$543,941	\$83,704	\$15,525	\$32,985	\$39,604,896	\$55,510,926	\$579,932,344	--
2022	15,740,403	0	83,704	15,525	32,985	43,152,150	59,024,767	576,887,232	6.33%
2023	16,267,939	0	83,704	15,525	32,985	46,360,882	62,761,035	570,421,465	6.33%
2024	16,813,045	0	83,704	15,525	32,985	49,788,550	66,733,809	560,079,426	6.33%
2025	17,376,305	0	83,704	15,525	32,985	53,449,540	70,958,059	545,359,610	6.33%
2026	17,958,320	0	83,704	15,525	32,985	57,359,170	75,449,704	525,710,529	6.33%
2027	18,559,711	0	83,704	15,525	32,985	61,533,745	80,225,670	500,526,267	6.33%
2028	19,181,120	0	83,704	15,525	32,985	65,990,621	85,303,955	469,141,669	6.33%
2029	19,823,210	0	83,704	15,525	32,985	70,748,271	90,703,695	430,827,134	6.33%
2030	20,486,665	0	83,704	15,525	32,985	75,826,360	96,445,239	384,782,967	6.33%
2031	21,172,193	0	83,704	15,525	32,985	81,245,816	102,550,223	330,133,276	6.33%
2032	21,880,523	0	83,704	15,525	32,985	87,028,915	109,041,652	265,919,358	6.33%
2033	22,612,412	0	83,704	15,525	32,985	93,199,363	115,943,989	191,092,547	6.33%
2034	23,368,638	0	83,704	15,525	32,985	104,374,264	127,875,116	104,506,478	10.29%
2035	24,150,007	0	0	0	0	0	24,150,007	0	-81.11%

#### Notes:

Fiscal 2021 Actuarially Determined Contribution set at budgeted amount.

Actuarially Determined Contributions are assumed to be paid at the beginning of the fiscal year.

Item (2) reflects 3.0% growth in payroll, as well as a 0.15% adjustment to total normal cost to reflect the effects of mortality improvements due to the generational mortality assumption.

Projected normal cost does not reflect the future impact of pension reform for future hires.

Projected unfunded actuarial accrued liability does not reflect deferred investment gains.